

Senate Bill No. 517

Passed the Senate October 14, 2009

Secretary of the Senate

Passed the Assembly September 8, 2009

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2009, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 19601.01 of the Business and Professions Code, relating to horse racing, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 517, Florez. Horse racing: thoroughbred associations or fairs: wager deductions.

Existing law authorizes a thoroughbred association or fair, at the joint request of the association or fair and the horsemen's organization and subject to approval by the California Horse Racing Board, to deduct from the parimutuel pool, for any type of wager, an amount of 10% to 25%, inclusive, of the total amount handled for the meeting of the thoroughbred association or fair that accepts the wager.

This bill would instead authorize the deduction of an amount in that range upon the filing of a specified written notice with, and approval by, the board specifying the percentage to be deducted and would provide that the percentage is to remain in effect until the filing of a subsequent notice with, and approval by, the board, unless otherwise specified in the notice. The bill would authorize certain distributions as prescribed in the Horse Racing Law to be modified or redirected upon the filing with, and approval by, the board of a written notice, as specified. The bill would require a notice to modify or redirect a distribution to be accompanied by a certain report of receipts and expenditures, and would require the filing of a report accounting for all receipts and expenditures in any of the affected funds with the board and certain legislative committees within one year of initial approval of a percentage deduction notice and annually thereafter if approval is extended by the board. The bill would require the consent of affected organizations and entities for a distribution modification or redirection and for an extension of a distribution modification or redirection, as provided.

This bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. Section 19601.01 of the Business and Professions Code is amended to read:

19601.01. (a) Notwithstanding any other provision of law, a thoroughbred association or fair, upon the filing of a written notice with, and approval by, the board specifying the percentage to be deducted, may deduct from the total amount handled in the parimutuel pool for any type of wager an amount of not less than 10 percent nor more than 25 percent. The written notice shall include the written agreement of the thoroughbred association or fair and the horsemen's organization for the meeting of the thoroughbred association or fair accepting the wager. The established percentage to be deducted shall remain in effect until the filing of a subsequent notice with, and approval by, the board, unless otherwise specified in the notice. The amount deducted shall be distributed as prescribed in this chapter. However, any such distribution, except for amounts payable for the support of the board and the equine drug testing program pursuant to subdivision (a) of Section 19616.51, may be modified or redirected upon the filing with, and approval by, the board of a written notice that is authorized and signed by the organization representing each entity affected by the modification or redirection, including, but not limited to, horsemen's organizations, racing associations, and fairs. If the proposed distribution modification or redirection increases or would increase the financial burden of any other organization or entity, the consent of that organization or entity shall also be obtained. This organization or entity consent provision for a distribution modification or redirection applies even if the percentage deduction is not increased pursuant to this subdivision.

(b) A notice filed with the board to modify or redirect a distribution pursuant to subdivision (a) shall be accompanied by a report detailing all receipts and expenditures over the two prior fiscal years of the funds and accounts proposed to be affected by the notice.

(c) Initial approval of a distribution modification or redirection pursuant to this section shall be limited to a one-year period. An approval may be extended in subsequent years contingent upon annual receipt of the report described in subdivision (e) and a determination by the board that the extension is in the economic

interest of thoroughbred racing. However, in order for an initial approval of a distribution modification or redirection to be extended beyond the first year, the consent of each organization and entity that gave its consent to that initial distribution modification or redirection shall also be obtained for the extension. In the absence of the consent of all of these organizations and entities, the board shall not approve the extension.

(d) A thoroughbred association or fair whose written notice for a percentage deduction pursuant to subdivision (a) has been approved by the board shall provide subsequent quarterly reports of receipts and expenditures of the affected funds if requested by the board.

(e) A thoroughbred association or fair whose written notice for a percentage deduction pursuant to subdivision (a) has been approved by the board shall file a report with the board and the respective fiscal committees and Committees on Governmental Organization of the Senate and the Assembly accounting for all receipts and expenditures in any of the affected funds. This report shall be filed within one year of initial board approval and annually thereafter if the approval is extended by the board.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to allow greater flexibility to direct funds generated by wagering deductions to areas with the greatest economic benefit for the horse racing industry and to ensure the economic future and stability of the horse racing industry, it is necessary that this act take effect immediately.

Approved _____, 2009

Governor